

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: JUNE 17, 2009

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: BILL ARENT, ACTING

SUBJECT:

Report and possible action regarding Redevelopment Agency projects currently under contract or negotiation, other projects proposed or under construction within or near the Redevelopment Area, and to provide an overview of programs and initiatives - Wards 1, 3 and 5 (Tarkanian, Reese and Barlow)

Fiscal Impact

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No Impact

☐

Augmentation Required

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Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

To update the Redevelopment Agency (RDA) Board on projects currently under contract or in negotiation with owners, developers and consultants; to present development projects proposed or under construction within or near the Redevelopment Area; to provide an overview of programs and initiatives; and to receive input from the RDA Board on the status of projects, programs and initiatives as warranted.

RECOMMENDATION:

Accept report and direct staff as appropriate.

BACKUP DOCUMENTATION:

Submitted after Meeting – PowerPoint Presentation by Staff

Motion made by GARY REESE to Accept the report

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

DAVID W. STEINMAN, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-RICKI Y. BARLOW)

Minutes:

BILL ARENT, Acting Operations Officer of the Redevelopment Agency (RDA), using a PowerPoint presentation which was submitted for the record, reported on activities and projects within the RDA, focusing on projects generating new taxes or new jobs.

MR. ARENT noted that, despite current economic challenges, the RDA is beating the overall market in new development and new investments. He outlined office and retail vacancy rates and rents within the RDA area.

REDEVELOPMENT AGENCY MEETING OF: JUNE 17, 2009

MEMBER WOLFSON asked if there anything the City can do to assist developers in filling the vacant retail space in developments like Juhl and Streamline. MR. ARENT replied that the RDA started a retail initiative to help retailers locate in the RDA area. Downtown has to be marketed in a different way because it has day time office population and its residential densities do not match suburban master planned communities. Retailers are given site-specific demographic information and the Visual Improvement Program continues to work especially well in the Entertainment District.

MR. ARENT pointed out that many other states have ad valorem sales tax, where a municipality can offer a sales tax incentive. The only incentive that the City has is the Tourism and Improvement District, which is more of a niche incentive for entertainment projects.

MEMBER WOLFSON noted that people are taking advantage of the residential real estate market and there should be the same kind of interest for retail. Lower rents may attract retailers.

MR. ARENT stated that one Valley-wide trend is that retail vacancy rates have gone up dramatically. Historically, rents in the RDA are lower than some more affluent markets in the region. That competitive advantage is diminishing for the Agency and making things more challenging. MEMBER TARKANIAN indicated that, in some instances, retailers are given month-free rents and it is tough to compete right now.

MR. ARENT highlighted the RDA's accomplishments. MEMBER ROSS pointed that every dollar invested sees a \$15 return. The City of Las Vegas has the most successful RDA in the country. CHAIRMAN GOODMAN indicated that at the Conference of Mayors there was very little optimism and Mayors were complaining about layoffs of firefighters and police officers. When he talked about the Lou Ruvo Brain Institute and the Cleveland Clinic, the City was the envy of every city at the conference.

MR. ARENT pointed out that the Las Vegas Premium Outlet Mall's expansion is completed. Despite the weakness in retail markets, it continues to perform well. He continued with a snapshot of completed projects since 2004. The challenge is seeing the pending projects come to fruition, despite the economic downturn.

MR. ARENT outlined projects in the Symphony Park District that will have a huge impact with construction jobs and permanent jobs. Private businesses pay property taxes, as well as sales and use taxes. The Las Vegas Premium Outlet Mall generates significant new sales tax annually, which goes to the community for various services, such as education.

MR. ARENT noted that the Cleveland Clinic is an important component of Symphony Park. It would generate new office and medical demand. Newland Communities is attending the BOMA Office Conference in Philadelphia trying to recruit new offices for Symphony Park.

The RDA is working on an amendment to adjust the World Jewelry Center's scope and timelines. Due to changing economic times, the RDA is working with the developer on a solution that benefits everyone.

REDEVELOPMENT AGENCY MEETING OF: JUNE 17, 2009

MR. ARENT outlined the residential projects completed before the economy downturn and long-term new residential units that will be on the market. The RDA is committed to making these projects successful. He also gave an overview on projects within the Entertainment District, although some developers are struggling to find financing.

He briefly reported on projects in East and West Las Vegas. The RDA will be amending the development agreement with Alpha Omega and updating the project's timeline. He is optimistic that it will be successful and noted the commitment for a grocery store on site.

MR. ARENT gave an overview on the downtown casinos and the improvements that are being made. He attended the Nevada Commission on Tourism meeting where the Commission approved moving forward with a sales tax incentive, known as the Tourism Improvement District or Star Bonds. It will move to the Governor's office and then the item will be brought before the City Council for a two-step ordinance process to adopt the District. The goal is keep the private development partners committed to developing and investing long-term downtown.

MR. ARENT explained that when negotiating incentives, the complexity of these projects require a two-step process. Both parties enter into an Exclusive Negotiation Agreement, which sets the parameters for the negotiation. This gives the RDA time to ensure that everything is in place before entering the Disposition and Development Agreement, which is the umbrella agreement for the project.

The RDA contributed a small amount of monies for the site preparation for the 75th Helldorado Rodeo held in May 14-17. It was an incredible success and he thanked the Mayor and City Council for their support.

MEMBER WOLFSON requested a copy of the backup materials, as well as the Applied Analysis report and a copy of the PowerPoint presentation.

MEMBER TARKANIAN commented that the public needs to have information that they can understand.